

ARIZONA BINGO REVIEW

**Governor**

Jane Dee Hull

Director

Mark Killian

Assistant Director**Taxpayer Support**

Marquetta White

Phoenix Office

1600 West Monroe

Phoenix, AZ 85007

Phone (602) 542-3227

(Fax 602-364-0086)

<http://www.bingo@revenue.state.az.us>

Bingo Section Administrator

David Manzer

Investigation

Ralph A. Young

Examiner Technician

Loraine Mata

Clerk Typist

Lupe Bejarano

Tucson Office

400 West Congress

Tucson, AZ 85701

Phone (520) 628-6438

(Fax 520-628-6474)

Investigation Supervisor

Antha "Sam" Martin

Investigator

Richard Pittman

Examiner Technician

Deborah Cluff

Two People Arrested for Stealing Bingo Funds.

A 3½-month investigation by the Arizona Department of Revenue culminated last November in the arrest of two Winslow residents; Jacqueline Oso and her mother Erlinda Gonzales. They are suspects in the theft of more than \$30,000 in bingo funds from St. Joseph's Parish Hall in Winslow over the past 2 years.

The investigation began when officials from St. Joseph's Parish Hall contacted the Bingo Section regarding possible thefts of bingo proceeds.

The department immediately initiated an investigation. The investigation revealed that Oso and Gonzales had acted together to alter records in order to cover

up the thefts. Using surveillance cameras and discarded bingo cards, bingo investigators gathered enough evidence to secure a 110-count indictment of the suspects by a Navajo County Grand Jury.

Jacqueline Oso was charged with Conspiracy to Commit Fraudulent Schemes; Fraudulent Schemes; Computer Fraud; Theft and 30 counts of Forgery. Erlinda Gonzales was charged with Conspiracy to Commit Fraudulent Schemes; Fraudulent Schemes; and 110 counts of Forgery.

Reminder: Please write your license number on everything you send us.

Using Community Service Workers

Several organizations have inquired about the advisability of using community service workers. However, as a bingo licensee, you need to protect the interests of your organization as well as those of the workers involved. Remember, the bingo statutes specify that a person may not work games of bingo if they have been convicted of a felony or a misdemeanor involving moral turpitude. Moral turpitude is an act, which is contrary to justice, honesty, modesty or good morals. Each person who works bingo, except for assistants of

class A licensees, must complete an affidavit prior to working games of bingo. Therefore a community service worker would also have to swear that they have not been convicted of a felony or a misdemeanor involving moral turpitude. If the worker signs the affidavit knowing they have a felony conviction, they have just committed another crime. This would be "False Swearing" and is a class 6 felony. If you, the licensee, knowingly allow such person to work your games, you are placing your bingo license in jeopardy.

In This Issue

Two People Arrested for Stealing Bingo Funds.	1
Using Community Service Workers	1
Farewell to Steve Gelley and Kim Yunek	2
Annual Customer Service Survey Findings	2
Announcing "Bingo" On the Last Number Called	2
Not A Worker In Sight	2
A Friendly Reminder.....	3
The Word on Pull Tabs	3

Farewell to Steve Gelley and Kim Yunek

On December 29, 2000, Steve Gelley retired from state service. He and his wife Amy, own and operate a successful real estate sales business in the Sun City area. Steve is looking forward to spending more time developing the business and working with clientele. We all wish Steve success in his new endeavor.

Steve was employed by the Arizona Department of Revenue for 10 years. Starting as an investigator, then being promoted to supervisor in 1994. Prior to that Steve worked for the Department of Real Estate as an investigator. Although it will be difficult to replace him, we do expect to fill his position by April 2001.

Kim had been with us since March 2000. Over the past four or five years she had often thought of returning to New Jersey where her family still lives. She finally decided to make the move back, leaving us a week before Christmas.

While working in the Bingo Section, Kim was instrumental in helping develop a much needed computer database for the office. We all appreciated the fine job Kim did for us. We wish her well.

For those of you who remember Loraine Mata, well, she's back. She returned to her old job February 5, 2001, replacing Kim Yunek. It was stroke of luck that we could get her back. Please feel free to give her a call with your questions on financial reports or other matters.

Annual Customer Service Survey Findings

The annual survey of licensees has been effective in determining where our strengths and weaknesses lie. Based on the surveys we received this time, we fared fairly well. You gave us an overall rating of 4.71 on a scale from 1 to 5. Our strengths are in the areas of Courtesy and Satisfaction. With very few exceptions, most of you are very satisfied with the service we provide.

On the other hand, we need to improve on our Phone Requests and Written Requests. No one gave any

specifics as to why they felt our phone and written requests were weak. However, Sam Martin polled the licensees at a recent workshop and found that they did not like being transferred to a computer. Because of this, our employees are now making sure our calls are forwarded to a live person for an explanation rather than going directly to voice mail.

Announcing "Bingo" On the Last Number Called

The most common complaint we receive is why a licensee awarded a prize to someone who didn't bingo on the last number called.

For example: Player A needs a "B-1" to bingo. The caller calls "B-1"; however, Player A is inattentive or distracted and fails to notice the bingo. The Caller, having allowed a reasonable length of time for a player to announce "Bingo", calls the next number: "B-2". Player B announces "Bingo" on "B-2". Player A now notices the "Bingo" on "B-1" and also announces "Bingo". The licensee, trying to placate both parties, awards the prize to each player.

Under these circumstances, the licensee violated the law. Player A failed to announce "Bingo" in a timely manner. Unfortunately, Player A is out of luck and can not receive a prize. If you are confronted with this problem, show the player the rulebook, R15-7-209 states that: *No player shall be declared a winner unless said player has accomplished a "Bingo" on the last immediate number called.*

Not A Worker In Sight

Occasionally we receive complaints from players claiming there was no bingo worker in the room when they called bingo, which caused them to miss their bingo. It is the responsibility of the licensee to insure that there are enough bingo workers to hear the players announce "Bingo!" Bingo workers should be present in all rooms where bingo is being played, especially in areas where noise is a problem. They should also be alert for players leaving early and giving their bingo cards to other players. This is a violation of R15-7-215 B, *Players must purchase their own cards. Players shall not sell or otherwise transfer bingo cards they have purchased to any other player.*

A Friendly Reminder

Do you intend to cancel your bingo occasions for the summer? If so, make sure you write us to let us know. We need to know the first day you intend to cancel as well as when you plan to start up again.

The Word on Pull Tabs

Over the past several months we have received questions on whether or not Pull-Tabs are legal in Arizona. Pull-tabs are defined by Arizona law as a raffle. A.R.S. Title 5-406 X states: *A person shall not conduct a lottery or raffle within a twelve hour period before or after a bingo occasion on any premises used for bingo games.* This subsection does not affect any legally conducted activity related to the state lottery. A.R.S. Title 13, the Arizona Criminal Code regulates raffles. Title 13 allows for tax exempt qualified organizations to hold a raffle under certain circumstances set forth in A.R.S. 13-3302. For bingo licensees, Pull-Tabs are illegal and prohibited by law.

Prorating Expenses

The purpose of prorating expenses is to allow you to pay all your bills while keeping your bingo expenses down. This is important since your bingo expenses are not allowed to exceed your net proceeds. Your utility bill and mortgage payments are examples of expenses that can be prorated. Let's say your building is open seven days a week every day of the year. You play bingo one to three days a week, every week of the year. Your utility bill is \$800 a month, or \$2,400 a quarter. Your mortgage is \$1,000 a month or \$3,000 a quarter. By listing the total amount, \$5,400 on Schedule I of your financial report, you could fail to meet the 50% ratio of net proceeds required by law. To prorate these expenses, you only report on Schedule I the percentage of expense actually related to the use of the premises for bingo.

Example: You have a Class B license and play bingo once a week. There are 12 weeks in a quarter. You report 12 days of expenses on Schedule I and the remaining portion of the expense on Schedule II; here's how: you divide your expense by 90, the number of days in a quarter, then multiply by 12 days, the number of occasions held. Your utility bill would be reported on Schedule I as \$320; your mortgage would be \$400. The remaining amounts, \$2,080 and \$2,600, respectively, would be reported on Schedule II. By prorating your Schedule I expenses, you kept your expenses down, your ratio to net proceeds above 50%, and you paid your bills all while complying with the law.

